

International Cooperation To Manage High-Skill Migration

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Highly-skilled people are among the most valuable factors of production in the contemporary world economy. Firms in the U.S. and other high-income countries pay substantial amounts (on top of hefty salaries) to cover the legal and transfer costs of non-citizens whom they want to locate at their home-country facilities. Governments of countries of origin of highly-skilled migrants often offer incentives (both financial and non-financial) to induce these migrants to return and to retain future generations who would otherwise follow in their footsteps by moving abroad. The global dispersion of highly-skilled work made possible by technological advances, organizational restructuring, and the emergence of innovation hubs in new locations has greatly intensified these efforts in recent years.

In the short run, this competition is zero-sum, a “war for talent” (in the words of *The Economist*) that may impose significant costs on the losers. If the losers in this “war” are places in which talent is scarce, as seems likely, the process may rob these places not only of managers, entrepreneurs, and workers, but reformers and institution-builders as well. (Kapur and McHale 2005) In the long-run, though, talent is a renewable resource, since in most countries the fraction of the population with access to educational opportunities is far less than optimal. Properly managed, “brain gain” (Stark 2002) and “brain circulation” (Saxenian 2006) may outweigh “brain drain,” making high-skill migration into a positive-sum game that benefits both sending and receiving countries.

While the metaphor of “war” is exaggerated, the current international system of governance for high-skill migration does not involve very much coordination. Apart from regional free-trade zones and WTO-facilitated reciprocity for a small group of senior managers and executives, national policies are determined unilaterally. International competition for “brains” may produce some salutary results, inducing investments in human capital that would not otherwise have been made. But there are many barriers, ranging from information gaps to institutional bottlenecks, that impede the achievement of better outcomes through purely competitive interactions. Without abjuring competition altogether, cooperation on high-skill migration might allow the international community to overcome some of these barriers.

This paper will explore the prospects for such cooperation. It will first survey existing mechanisms and processes for cooperation in this area, at the bilateral, regional, and

global levels. Bilateral mechanisms include “co-development” and “migration management” agreements between sending and receiving countries sought particularly by European countries, such as France. At the regional level, the EU, NAFTA, and APEC groupings have varying provisions for regulating mobility. And, at the global level, the GATS negotiations and the Global Forum on Migration and Development have sought to develop policies and principles that might eventually serve as the basis for a high-skill migration treaty.

The paper will then assess which of these approaches offer the most promising opportunities for an improvement over the competitive status quo. This assessment will be based on the scale of potential benefits over the long-run (especially for professional fields with large social externalities, such as medicine and education), on the existence of shared political interests, and on the administrative feasibility of implementing proposed agreements. The paper will conclude by offering policy recommendations, particularly for the U.S. government, which must take a leadership role in this domain, as the world’s leading center for knowledge-based industries and its largest recipient of high-skill migration.

The data sources for this paper will include official labor force and migration statistics. More important, the authors will gather the expert opinions of government officials, corporate managers, and non-governmental advocates through interviews in the Washington, D.C. area.

Prior research which demonstrates the capability of the proposers to carry out the project include Hart’s publications in this area, including articles in *Technology in Society* and *Issues in Science and Technology*. Davis is engaged in writing a dissertation on global governance of high-skill migration, to which this paper will contribute.

References

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